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(212) 474-1820

February 7, 1997

Dear Mr. Williams:

In accordance with 49 U.S.C. §11301, we submit herewith for recording with the Surface Transportation Board original counterparts of the document described below.

This document is a Memorandum of Chattel Mortgage and Security Agreement, a "primary document", dated as of February 5, 1997.

The names and addresses of the parties to the primary document are as follows:

MORTGAGOR: Leone Lease Ltd.
c/o CitiLease Co., Ltd.
2-3-14 Higashi-shinagawa
Shinagawa-ku
Tokyo 140, Japan

MORTGAGEE: Norfolk Southern Railway Company
Three Commercial Place
Norfolk, Virginia 23510

The equipment covered by the document is as follows:

<u>Number of Units</u>	<u>General Description</u>	<u>AAR Symbol</u>	<u>Railroad's Road Numbers (both inclusive)</u>
40	6-axle diesel-electric locomotives	C-C	9020-9059


The recordation fee of \$21.00 is enclosed. After recordation, please return the counterparts not needed by the Board, stamped with the Board's recordation data, to the undersigned at the above address.

A short summary of the document for use in the index follows:

Memorandum of Chattel Mortgage and Security Agreement dated as of February 5, 1997, between Leone Lease Ltd., as mortgagor, and Norfolk Southern Railway Company, as mortgagee, and covering 40 diesel-electric locomotives (numbered NS 9020-9059).

Please acknowledge receipt on the enclosed copy of this letter.

Very truly yours,



Michael Rice

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, DC 20423

Encl.

RECORDATION NO. 20545
FILED 1425
FEB 11 1997 - 12 10 PM

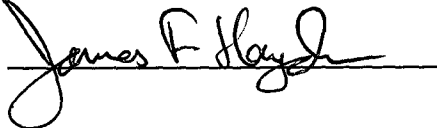
MEMORANDUM OF CHATTEL MORTGAGE AND SECURITY AGREEMENT dated as of February 5, 1997, between LEONE LEASE LTD., a corporation organized under the laws of Japan (hereinafter called the **Mortgagor**), and NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation (hereinafter called the **Secured Party**).

WHEREAS the Mortgagor and the Secured Party are entering into that certain Chattel Mortgage and Security Agreement dated as of the date hereof, covering the railroad locomotives listed in Schedule A hereto.

IN WITNESS WHEREOF, the parties wish to show for the public record the mortgage of and security interest in the said locomotives in favor of the Secured Party, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

LEONE LEASE LTD.

by



NORFOLK SOUTHERN RAILWAY COMPANY

by _____

MEMORANDUM OF CHATTEL MORTGAGE AND SECURITY AGREEMENT dated as of February 5, 1997, between LEONE LEASE LTD., a corporation organized under the laws of Japan (hereinafter called the Mortgagor), and NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation (hereinafter called the Secured Party).

WHEREAS the Mortgagor and the Secured Party are entering into that certain Chattel Mortgage and Security Agreement dated as of the date hereof, covering the railroad locomotives listed in Schedule A hereto.

IN WITNESS WHEREOF, the parties wish to show for the public record the mortgage of and security interest in the said locomotives in favor of the Secured Party, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

LEONE LEASE LTD.

by _____

NORFOLK SOUTHERN RAILWAY COMPANY

by 

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 7th day of February, 1997, before me personally appeared *James R. Bayley*, to me personally known, who, by me being duly sworn, says that he is attorney-in-fact for LEONE LEASE LTD., and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Erica M. Slezak
Notary Public

My commission expires

ERICA M. SLEZAK
Notary Public State of New York
No 02SL5042488
Qualified in Nassau County
Commission Expires April 24, 1997

COMMONWEALTH OF VIRGINIA)
) SS.:
CITY OF NORFOLK)

On this day of February, 1997, before me personally appeared James N. Bayley, to me personally known, who, by me being duly sworn, says that he is an authorized agent of NORFOLK SOUTHERN RAILWAY COMPANY, that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

My commission expires

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this day of February, 1997, before me
personally appeared , to me personally known,
who, by me being duly sworn, says that he is attorney-in-
fact for LEONE LEASE LTD., and that the foregoing instrument
was signed on behalf of said corporation by authority of its
board of directors, and he acknowledged that the execution
of the foregoing instrument was the free act and deed of
said corporation.

.....
Notary Public

My commission expires

COMMONWEALTH OF VIRGINIA)
) SS.:
CITY OF NORFOLK)

On this *5th* day of February, 1997, before me
personally appeared James N. Bayley, to me personally known,
who, by me being duly sworn, says that he is an authorized
agent of NORFOLK SOUTHERN RAILWAY COMPANY, that the
foregoing instrument was signed on behalf of said
corporation by authority of its board of directors, and he
acknowledged that the execution of the foregoing instrument
was the free act and deed of said corporation.

.....
Edna M. Hobbs
Notary Public

My commission expires

My Commission Expires February 28, 1998



SCHEDULE A

<u>Quantity</u>	<u>Description</u>	<u>Norfolk Southern Railway Company Road Numbers</u>
	General Electric model DASH 9-40CW diesel-electric locomotives	through